

## ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF[261]

### Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)"b."

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development hereby gives Notice of Intended Action to amend Chapter 47, "Endow Iowa Tax Credits," Iowa Administrative Code.

These amendments are being proposed in response to 2009 Iowa Acts, House File 478. The proposed amendments change the amount of the Endow Iowa Tax Credit from 20 percent to 25 percent of a qualifying donation and stipulate that any donation that receives such an Endow Iowa Tax Credit shall not be deductible in determining taxable income for state income tax purposes. The legislation also increased the base appropriation for the Endow Iowa Tax Credit program from \$2 million to \$3 million annually, which is reflected in the proposed amendments.

Public comments concerning the proposed amendments will be accepted until 4:30 p.m. on November 13, 2009. Interested persons may submit written or oral comments by contacting Mike Miller, Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309; telephone (515)725-3077.

A public hearing to receive comments about the proposed amendments will be held on November 10, 2009, from 3:30 to 4:30 p.m. at the above address in the Iowa Conference Room on the second floor.

These amendments are intended to implement Iowa Code sections 15E.301 to 15E.306 as amended by 2009 Iowa Acts, Senate File 478.

The following amendments are proposed.

ITEM 1. Amend **261—Chapter 47**, parenthetical implementation statutes, as follows:  
(~~81GA, HF868~~ 15E, 83GA, SF478)

ITEM 2. Amend rule **261—47.2(15E, 83GA, SF478)**, definitions of "Act" and "Endow Iowa qualified community foundation," as follows:

"Act" means Iowa Code sections 15E.301 to 15E.306 as amended by ~~2005 Iowa acts, House File 868~~ 2009 Iowa Acts, Senate File 478.

"Endow Iowa qualified community foundation" means a community foundation organized or operating in this state that substantially complies with the national standards for U.S. community foundations established by the National Council on Foundations as determined by the department in collaboration with the Iowa Council ~~on~~ of Foundations.

ITEM 3. Amend subrules 47.3(2) and 47.3(3) as follows:

**47.3(2)** ~~Approved~~ Beginning January 1, 2010, approved tax credits will be equal to 20 25 percent of a taxpayer's gift to a permanent endowment held in an endow Iowa qualified community foundation. The amount of the endowment gift for which the endow Iowa tax credit is claimed shall not be deductible in determining taxable income for state income tax purposes.

**47.3(3)** The amount of tax credits authorized pursuant to this rule shall not exceed a total of \$2 \$3 million annually, plus an additional amount pursuant to Iowa Code section 99F.11(3)"e"(3). The maximum amount of tax credits granted to a single taxpayer annually shall not exceed ~~5 percent of the annual amount of tax credits authorized \$100,000.~~ If the department receives applications for tax credits in excess of the amount available, the applications shall be prioritized by the date the department received the applications. If the number of applications exceeds the amount of annual tax

credits available, the department shall establish a wait list for the next year's allocation of tax credits and applications shall first be funded in the order listed on the wait list.

ITEM 4. Rescind subrule **47.3(7)**.

ITEM 5. Amend subrule 47.4(1) as follows:

**47.4(1)** Twenty-five percent of the annual amount available for tax credits shall be reserved for those permanent endowment gifts made to community affiliate organizations ~~or made in conjunction with the endow Iowa grants program~~. If by September 1 of any year the entire 25 percent reserved for permanent endowment gifts corresponding to ~~the endow Iowa grants program~~ or to community affiliate organizations is not allocated, the amount remaining shall be available for other applicants.

ITEM 6. Amend rule 261—47.5(15E,83GA,SF478) as follows:

**261—47.5(15E,83GA,SF478) Reporting requirements.** By January 31 of each calendar year, the department shall publish an annual report of the activities conducted pursuant to these rules during the previous calendar year and shall submit the report to the governor and general assembly. The annual report shall include ~~a detailed listing of endow Iowa tax credits authorized by the department.~~ the information required by Iowa Code section 15.104(9) "h."

ITEM 7. Amend **261—Chapter 47**, implementation sentence, as follows:

These rules are intended to implement Iowa Code sections 15E.301 to 15E.306 as amended by ~~2005 Iowa Acts, House File 868~~ 2009 Iowa Acts, Senate File 478.